

Real Property Tax Committee Minutes
May 11, 2020 – 2:30 p.m.

Present: Chairwoman Sandra Winney; Committee Members Eric Connolly, Tara Gaston, Jon Schopf, Tom Wood, Benny Zlotnick; Chad Cooke, County Administrator; Steve Dorsey, County Attorney; Anna Stanko, Real Property Tax; Andrew Jarosh, Terri Wrisley, Treasurer; Pamela Wright, Clerk of the Board .

Chairwoman Winney called the meeting to order and welcomed all in attendance.

On a motion made by Mr. Wood, seconded by Ms. Gaston, the minutes of the March 17, 2020 meeting were approved unanimously.

Ms. Stanko updated the committee on the County's role in enforcement of Tax Law 171-W – denying basic Star benefits for property owners with delinquent property taxes. Ms. Stanko said that this portion of the law was buried in the last budget. It has been approved by the State that basic Star exemptions will be removed from those people that are more than a year delinquent in their property tax bills. Compiling the list for the State falls on the County Directors. Ms. Stanko has already reached out to the City of Saratoga Springs and received their list. The County Treasurer's office and IT have worked together to be able to pull the County's list. There are 579 properties that are eligible for basic star exemption although many could be camps or second homes etc. that do not even receive the exemption. This information was all sent to the State and their timeline is to send a letter out by May 22nd, expecting people to pay their taxes by June 22nd. By July 17th, Ms. Stanko has to notify the State of those who have paid their taxes, and then the Assessors have to remove the Star exemption from the remaining delinquent parcels as directed by a State generated list. Ms. Stanko said that it is not a good system. The cities of Saratoga and Mechanicville, and the County all keep track of their delinquent parcels differently. Ms. Gaston offered Ms. Stanko that if any help was needed, including a letter from the Board to the Governor requesting this be delayed, to not hesitate to reach out. Ms. Stanko said that this has been a challenge due to the State requirements and reduced staffing.

A motion was made by Mr. Wood, seconded by Mr. Connolly, to authorize the postponement of the 2020 foreclosure proceeding for 2018 delinquent taxes until 2021. Unanimous.

Mr. Dorsey said that under normal circumstances, this week or next they would have been sending out the foreclosure notices by mail to all property and lien holders, notifying them of the commencement of the County's proceeding to foreclose delinquent 2018 taxes. This would have set a last date of redemption of September 30th. After that they wait another 2-3 weeks to see if any additional payments come in, as payments need to be postmarked by September 30th, and they also need to make sure check payments have cleared. After this, the County Attorney puts together his motion for an order of foreclosure which can be made returnable by the County Court Judge either late November or early December. Last year this date was November 15th. Because of the closure of the Surrogates court in mid-March, the searcher in the County Attorney's office was unable to complete the searches of property owners and lien holders. There are approximately 30 estates that needed to be researched, and the records are stored in the basement of the Surrogates

Court, not available online. There are rumors that the Surrogates Court may open in late July. The searcher estimates that she would need approximately 6 weeks after the Court re-opens to complete her work. This means they are looking at mid-September before notices could be mailed out. Giving them 4/4.5 months to give them a last date of redemption in December, means the County could not foreclose until sometime in February, which is too late to get the properties into a March auction. Mr. Dorsey said they can continue on the late timeline as discussed or defer the whole process to next year. Meaning that next year they would be sending out the notices for delinquent taxes of 2018 and 2019 concurrently along the regular timeline. Mr. Dorsey said that while discussing this, the IT department informed him that changing the redemption date from September to December is a massive coding problem for their office. Mr. Schopf asked if the properties that need to be researched can be broken out and the foreclosure continue on the remaining properties. Mr. Dorsey said that it would set up some coding issues for the IT Department. Ms. Gaston said that it may bring up some equity issues, closing on some and not all this year. Ms. Stanko added that there is a staff member in her office that also has to visit each of the properties beginning in June to determine if there are any problems with the properties that may preclude the County from taking title on the property. For example tires, oil barrels on the property. Ms. Stanko said that this staff member cannot even come back to work at this point because Public Health is currently using her office. Mr. Jarosh said that the same issue is happening in other counties in the State and a majority, if not almost all of them, are foregoing their foreclosure process this year and doing two concurrent foreclosure processes next year. Mr. Dorsey said that 1% interest accrues monthly on delinquent accounts and this would continue. Mr. Dorsey said that people can come in at any time and pay their delinquent taxes. Mr. Dorsey said that they should also consider whether those who have an additional year prior to the auction, should be allowed to have a free first pull. That can be decided at a later point.

A motion was made by Ms. Gaston, seconded by Mr. Connolly, committee approval to authorize the County Attorney to work with the Purchasing Director to request proposals for an online property auction. Unanimous.

Mr. Dorsey said that the March 19th auction was postponed until September. It is expected that social distancing will still be in place at that time, and it is not feasible to be able to social distance in the room they currently use for that process. Mr. Dorsey suggested doing an online auction as an alternative. With online auctions, the auction company does all the work and get paid from a buyer's premium, usually 6-7%. There would be no cost to the County. Mr. Dorsey said that they can get proposals from the 3 local companies that provide this service, they would be competing on the lowest buyer's premium and the services they provide. Mr. Dorsey said that they can come back with a contract proposal in June. Mr. Dorsey said that there is a lot of work to be done and they should begin work in June. Ms. Gaston said that it makes total sense to move to online auctions. Mr. Jarosh said that they already have some experience with the online auction due to the recent sale of the infirmary in Providence. Mr. Jarosh's only concern is the short time frame. Mr. Wood agreed. Mr. Schopf said that he would be in favor of making the property auction an online auction permanently, possibly even combining online with in person bidding in the future. Mr. Dorsey said that a special meeting of the Board could be held after the Agenda session in June to approve the contract and speed up the process. Mr. Dorsey said that the date of the September auction is set by the committee and this can also be changed to a later date in September or even October.

At this point Mr. Connolly and Mr. Zlotnick left the meeting due to another online County meeting. A quorum still remained.

Mr. Dorsey said that last month Supervisor Winney received a letter from Gary St. Onge regarding a property in the Town of Edinburg. Mr. St. Onge owns the adjoining property and he had a filed right of first refusal to purchase the property from Mr. Frank Verity. The County foreclosed on Mr. Verity and took title to the property last November. Mr. St. Onge has requested that the right of first refusal be honored and that he be allowed to purchase the property from the County. Mr. Dorsey said that Mr. St. Onge no longer has a right of first refusal as when the County foreclosed, it eliminated any associated rights he had on the property. Another item that Mr. St. Onge left out in the letter is that Mr. Verity passed away in July of 2012, so Mr. St. Onge had well over five years to purchase the property from Mr. Verity's heirs, his two daughters. Notices of the foreclosure were sent to Mr. St. Onge, he also could have come in to pay the taxes to preserve his right of first refusal. Mr. Dorsey's recommended response is to send a letter that his right to first refusal was foreclosed upon and he can bid on the property at auction time just like any other bidder. The only option for the County to be able to sell the property directly to Mr. St. Onge requires a local law and an appraisal paid for by the purchaser. The committee agreed to have Mr. Dorsey send the letter and leave the property on the auction list.

On a motion made by Mr. Wood, seconded by Ms. Gaston, the meeting was adjourned unanimously.

Respectfully submitted,
Therese Connolly
Deputy Clerk of the Board